

# COVINGTON

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December 6, 2017

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: *Ex parte* submission in WC Docket Nos. 16-363, 10-90, 07-135; CC Docket No. 01-92**

Dear Ms. Dortch:

On December 4, 2017, Fritz Hendricks, chief executive officer of Inteliquent, Inc. (“Inteliquent”), Scott Sawyer, general counsel of Inteliquent, and the undersigned met with Lisa Hone (by phone), Pamela Arluk, Victoria Goldberg, Gil Strobel, Irina Asoskov, Edward Krachmer, and Greg Capobianco of the Wireline Competition Bureau to discuss specific proposals the Commission can adopt in the near term to address certain abuses of 8YY-related elements. We explained that the Commission should adopt clear, national benchmarks for 8YY dip charges, mileage to the tandem, and 8YY end office and tandem charges. This approach will prevent excessive dip charges, so-called “mileage pumping” schemes, and excessive end office and tandem charges. We emphasized that this approach corrects abuses while not dramatically disrupting the 8YY system by moving to bill-and-keep, a system that is at odds with the toll-free nature of 8YY calls, could create new arbitrage opportunities, and would have a profound effect on the competitive tandem market. During the meeting the parties discussed the attached presentation.

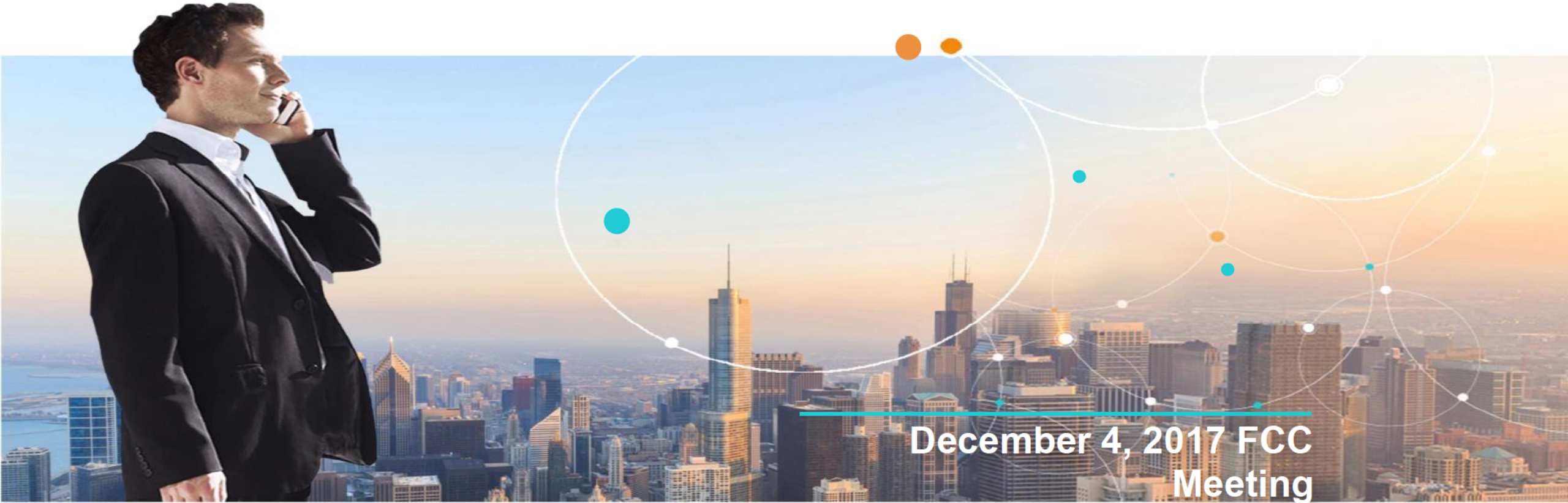
Please direct any questions to the undersigned.

Sincerely,

/s/ Gerard J. Waldron

Gerard J. Waldron  
*Counsel for Inteliquent, Inc.*

cc: Meeting attendees



December 4, 2017 FCC  
Meeting

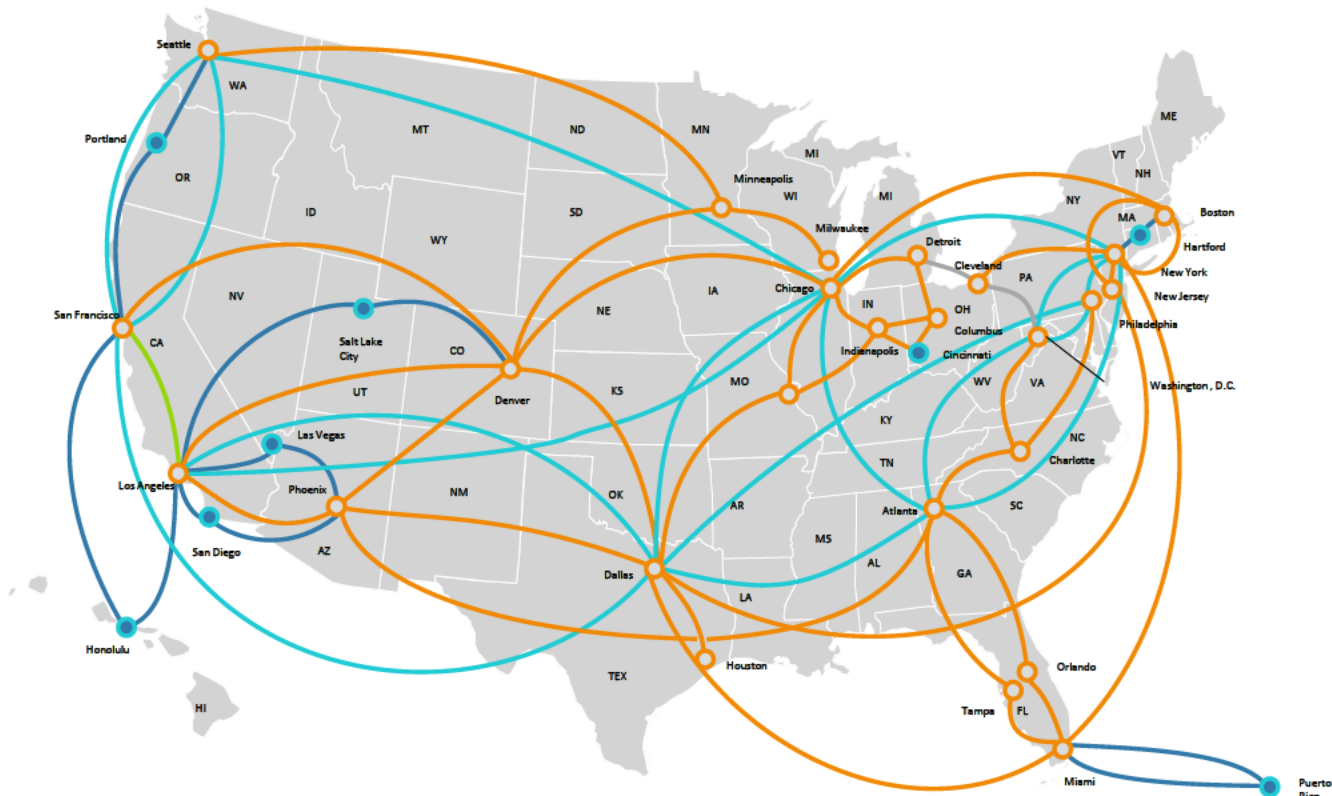


- Serving 650+ Rural ILECs
- Interconnect top wireless, ILEC, Cable, and CLEC providers
- Network-Based Carrier
- Service in 49 States + Puerto Rico
- 8400 On-net Rate Centers (12K Total)
- Large invested network base

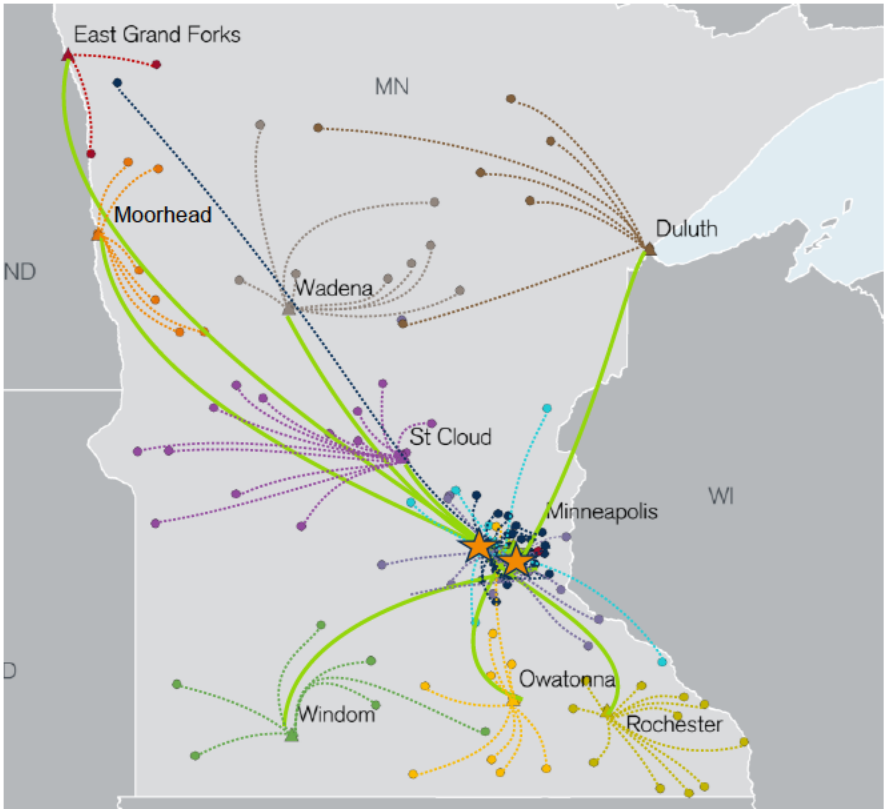
# Reminder - Network based with Broad Rural and National Reach



Broad National Coverage



Deep Network Reach



Note: Detailed network discussion and maps on Pages 34-36.



***Solutions to Address  
8YY Query and Mileage Arbitrage***

***Ex Parte Presentation  
December 04, 2017***



## ***Inteliquent filed comments on July 31, in response to FCC's Public Notice seeking to refresh the record on 8YY-related issues***

### ■ *Our basic message was:*

- (1) bill-and-keep isn't an appropriate structure for 8YY access charges, given that the very nature of an 8YY call is for the called party to bear the cost, and
- (2) the FCC can nevertheless take action to address 8YY-related abuses by a relatively small group of bad actors, and
- (3) declaring that the CLEC benchmark rule applies to 8YY dip charges will go a long way in deterring abuses

### ■ *The record developed since then reflects:*

- Agreement by many parties on these points, and
- Our views very much align with those expressed recently by representatives of rural LECs and cable companies, among others

### ■ *Based on the records submitted, and recognizing there may be a desire to address abuses of other 8YY-related elements – we've further developed our proposal:*

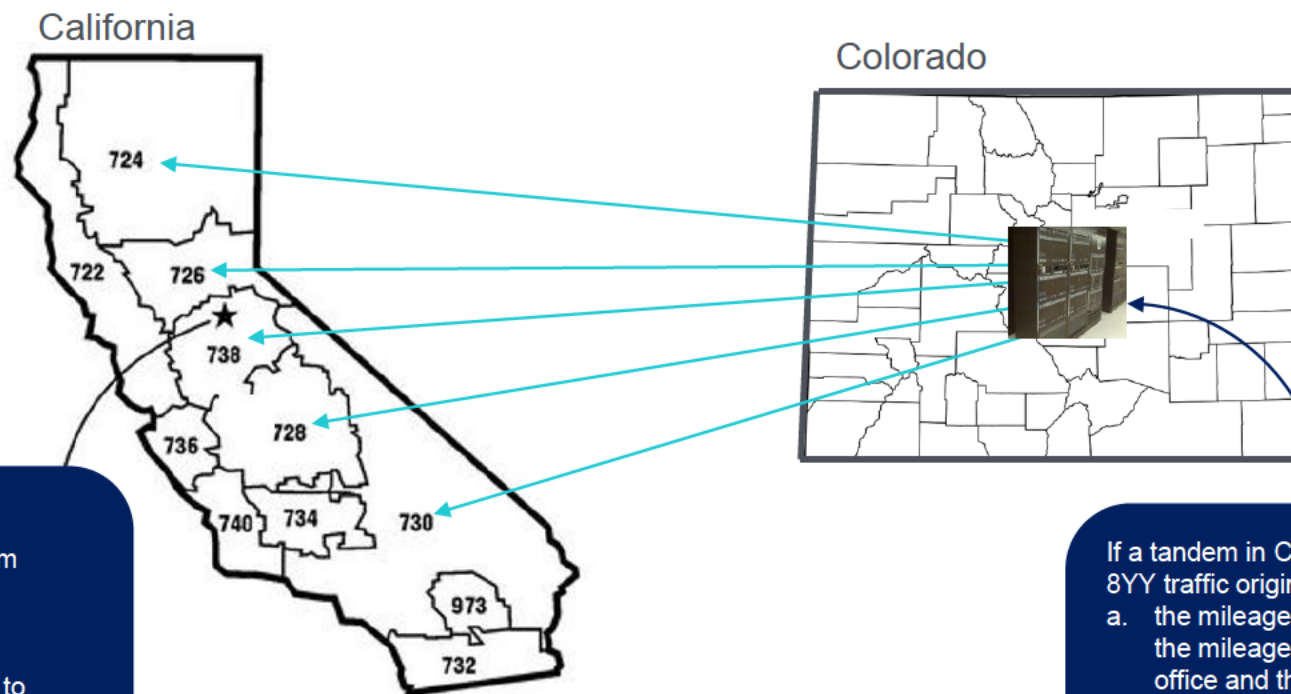
- 8YY Dip Charges: Declare that the CLEC benchmark rule applies
- Mileage: Should be based on the mileage between the originating end office and the corresponding ILEC tandem for the LATA in which the 8YY call originates
- 8YY Originating End Office: If originating telephone number belongs to the carrier, it may charge the competing ILEC rate. If not, it may only charge a reduced transit rate
- 8YY Tandem Charge: Must benchmark to the competing ILEC for the LATA in which the 8YY call originates
- This approach prevents excessive dip, mileage, end office and tandem charges
- Permit carriers to negotiate a different rate if they agree the benchmark rate is not appropriate
- Grant the IXC authority to receive the 8YY traffic at a tandem in the LATA the call originated in vs a centralized tandem location, thus eliminating excessive mileage charges or inappropriate tandem charges



## How to Address 8YY-Related Abuses



***Benchmark rates should be based on originating LATA, if either the End Office or Tandem POI is outside the LATA then maximum mileage charge is based on incumbent rate***



### 738 Originating LATA:

- Regardless of end office switch or tandem location the 8YY Query, End Office, and Tandem rate elements benchmarked to incumbent in 738 LATA
- Maximum mileage charge benchmarked to incumbent rate and distance
- IXC has the option to require Tandem to provide a POI in the originating LATA

If a tandem in Colorado is used to aggregate 8YY traffic originating in California then:

- the mileage charge should be based on the mileage between the originating end office and the ILEC tandem in the LATA of call origination (i.e. LATA 738)
- The tandem rate should also be benchmarked to competing ILEC in LATA of call origination (i.e. LATA 738)



***Q&A***